

Message Text

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PAGE 01 DAMASC 03617 261157Z
ACTION NEA-11

INFO OCT-01 EUR-12 ISO-00 SOE-02 AID-05 CEA-01 CIAE-00
COME-00 DODE-00 EB-08 DOE-15 H-01 INR-10 INT-05
L-03 NSAE-00 NSC-05 OMB-01 PM-05 ICA-11 OES-07
SP-02 SS-15 STR-07 TRSE-00 ACDA-12 /139 W
-----043925 261417Z /50

R 261108Z JUN 78
FM AMEMBASSY DAMASCUS
TO SECSTATE WASHDC 8498
AMEMBASSY ATHENS
AMEMBASSY LONDON
AMEMBASSY PARIS
AMEMBASSY ROME
AMEMBASSY BEIRUT BY POUCH
AMEMBASSY JIDDA

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E.O. 11652: NA
TAGS: ENRG, ETRD, SY
SUBJ: SYRIA SWITCHES CRUDE PETROLEUM PURCHASES FROM SAUDI ARABIA
TO EUROPE

1. U.S. BANKING OFFICIAL (RESIDENT LONDON) WHOSE BANK
USED TO HANDLE ALL LETTER OF CREDIT BUSINESS FOR SYRIAN
IMPORTS OF SAUDI CRUDE TOLD ECONOFF THAT DAMASCUS HAS
NOW SWITCHED ITS PURCHASES TO EUROPEAN SOURCES. BANKER
BELIEVES SYRIANS MAY STILL BE GETTING SAUDI CRUDE BUT
SELLERS ARE EUROPEAN REFINING COMPANIES WHO ARE MOSTELY
TRANSHIPPING TO SYRIA.

2. SYRIAN DECISION TO SWITCH SUPPLIERS NON-POLITICAL;
SAUDI BANKING PRACTICES--PARTICULARLY WHEN DEALING IN
SMALL LOTS FOR SYRIA-- WERE CONFUSING AND INEFFICIENT
AND SYRIAN BANKING COSTS WERE GETTING OUT OF HAND.
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FURTHERMORE, SHIPMENTS WERE OCCASIONALLY SENT ASTRAY
BECAUSE OF POORLY PREPARED DOCUMENTATION IN SAUDI
ARABIA. SINCE SAUDIS ALWAYS CHARGE PREVAILING PRICES
AND THEIR AID NEVER LINKED TO PETROLEUM, SYRIANS HAD
NO INHIBITIONS ABOUT TAKING THEIR BUSINESS ELSEWARE.
ALTHOUGH BANKER DID NOT HAVE EXACT FIGURES IN MIND,
HE SAID PURCHASES FROM SAUDI ARABIA IN 1977 WERE

QTE VICINITY THREE MILLION TONS UNQTE.

3. COMMENT: WE WONDER IF SAUDI INEFFICIENCY IN
HANDLING MONEY IN SMALL LOTS MAY NOT BE MORE LIKELY
CAUSE RUMORED SUSPENSION SAUDI AID THAN POLITICAL MOTIVES MANY
SYRIANS SEE BEHIND IT.
PELLETREAU

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM, GOVERNMENT PROCUREMENT
Control Number: n/a
Copy: SINGLE
Draft Date: 26 jun 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978DAMASC03617
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780264-0890
Format: TEL
From: DAMASCUS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780621/aaaaasja.tel
Line Count: 69
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 49251782-c288-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2214005
Secure: OPEN
Status: NATIVE
Subject: SYRIA SWITCHES CRUDE PETROLEUM PURCHASES FROM SAUDI ARABIA TO EUROPE
TAGS: ENRG, ETRD, SY, SA, XG
To: STATE ATHENS
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/49251782-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014